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UNCLAS SECTION 01 OF 02 SANTO DOMINGO 002078

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E.O. 12958: N/A

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SUBJECT: DOMINICAN ELECTION #34: CORRUPTION AND THE CANDIDATES

[11](#). (SBU) This is cable # 34 in our series on the Dominican presidential election:

#### CORRUPTION AND THE CANDIDATES

The heat of the campaign and the insistence of the Ambassador and U.S.-funded civic groups have finally brought the explosive issue of corruption into open debate. On March 26 the government's lawyers in Miami filed a civil action against Baninter suspect Luis Alvarez Renta, as the Mejia and Fernandez campaigns have been trading barbs about who knew what when. We'll have more to report about that, soon. For the moment, however, we're taking satisfaction in the outcome and reports of events sponsored by two USAID-supported non-partisan NGOs.

Estrella as Mr. Clean

NGO "Foundation for Institutionalality and Justice" (FINJUS) has asked the three major candidates to address directly the issue of corruption. PRSC presidential candidate Eduardo Estrella spoke to more than 500 supporters and election watchers at the first event in the FINJUS series on March 10. Third-ranked Estrella criticized the attorney general's office for lack of prosecutions on corruption cases and pledged to improve internal controls in that office, if elected. He called for civil society and church groups to serve as watchdogs over government institutions and measures to enhance efficiency of state services and enterprises. He advocated purging nepotism from government, saying that "(we need) to get rid of people who are receiving salaries for doing nothing."

Estrella called for implementation of an ethics code for all government employees, as well as mandatory public financial disclosure by government officials. Invoking the Dominican trinity of Joaquin Balaguer, Juan Bosch and Jose Francisco Pena Gomez, Estrella promised that "the hour to renovate our social contract with the country has arrived. I, Eduardo Estrella, will do it."

Estrella is running on his image of honesty. He has reinforced this theme since the FINJUS event, telling crowds, "As Minister of Public Works, I had billions of pesos passing through my hands and I didn't keep a single peso." This approach is consistent with his campaign theme "El pais no aguanta mas!" ("The country can't stand it any more!"), emblazoned on billboards beneath an image of the candidate looking grumpily reproachful.

Leonel Fernandez - articulate and organized

The second FINJUS event on March 24 received mixed treatment. Increasingly pro-Mejia (and increasingly shrill) daily "Listin Diario" headlined on its front page the introductory remarks of the USAID Mission director Brineman as if they were the main event and broke new ground (in fact, Assistant Secretary Noriega and the Ambassador had earlier been equally

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explicit about fraud and corruption in the collapsed Baninter and Bancredito scandals).

Ex-president Fernandez's 45-minute address was very political but nevertheless substantive. At times reading from his party's draft platform (released March 29 - septel), he took credit for anti-corruption achievements in his 1996-2000 administration and proposed additional measures for institutional safeguards against corruption. The Department for Prevention of Administrative Corruption (DEPRECO), established in 1996, had been "perverted" by Mejia's appointees and should be replaced by a National Office of Prevention and Prosecution of Corruption, argued Leonel. A 1979 law requiring senior officials to declare their personal assets should be enforced.

Fernandez would establish an "integrated system of government financial management," with a standard outside accounting system for all agencies and public access to the information via internet. He would order a comparative study of best practices in other Latin American countries, such as Chile, to see what might be adapted for use in the GODR. He would advance compliance with international conventions against corruption, respect the independence of the judiciary and professionalize prosecutors, and collaborate with civil society groups, churches, media, and USAID on efforts to inculcate non-corrupt values in society. At the same time, he denounced "a group of mafiosi" in the media "at the service of corruption." He opposed granting former presidents immunity from prosecution, saying they should take responsibility for their actions, and quipped, "That's why I'm here."

A listener asked what Fernandez would do about the BANINTER banking fraud scandal if elected. Fernandez promised no executive branch interference in the prosecutions underway in the courts. Another question about a corruption scandal at the end of his administration, involving a jobs program (Programa de Empleo Minimo Eventual - PEME), prompted Fernandez to assert that such programs should be cleaned up, not eliminated -- implicitly acknowledging that abuses had occurred. He deftly drew a parallel with alleged welfare fraud in the United States. Shortly after the speech, senior officials in President Mejia's re-election campaign renewed accusations that Fernandez knew of the BANINTER problem before leaving office but swept it under the rug.

President Mejia has accepted the invitation by FINJUS to speak at the planned third anti-corruption meeting on April 14.

#### Twenty years of impunity

On March 25, Participacion Ciudadana (PC - Citizens' Participation) released a survey of corruption cases in the Dominican Republic, "Twenty Years of Impunity: Investigation of Corruption Cases in the Dominican Justice System, 1983-2003." Researchers found that only six of the 227 cases that reached the justice system in that period resulted in full prosecutions, leading to dismissal or acquittal in five of those cases. Only one case resulted in a conviction, brief incarceration, and then a pardon that relieved the guilty party of paying the assessed fine and damages. PC Coordinator Alfonso Abreu Collado told a panel audience that the typical official response has been to allow the accused "a clean slate and a new start." The cases covered administrations of all three major parties.

12. (U) Drafted by Bainbridge Cowell.

13. (U) This report and others in our election series are available on the SIPRNET at <http://www.state.sgov.gov/p/wha/santodomingo/index.cfm> along with extensive other current material.  
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